

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION BY THE PUBLIC SERVICE)
COMMISSION OF THE APPLICATION OF THE)
FUEL ADJUSTMENT CLAUSE OF FARMERS) CASE NO. 10447
RURAL ELECTRIC COOPERATIVE)
CORPORATION FROM NOVEMBER 1, 1986)
TO OCTOBER 31, 1988)

ORDER

Commission Regulation 807 KAR 5:056, Section (1)(12), requires the Commission to conduct a comprehensive review of Farmers Rural Electric Cooperative Corporation's ("Farmers") fuel adjustment clause biennially to evaluate past operation, disallow improper expenses and, to the extent appropriate, reestablish the fuel clause charge in accordance with Commission Regulation 807 KAR 5:056, Section 1(2).

IT IS THEREFORE ORDERED that:

(1) Farmers shall appear at the Commission's offices in Frankfort, Kentucky, on February 9, 1989 at 9:00 A.M., Eastern Standard Time, to submit itself to examination on the application of its Fuel Adjustment Clause from November 1, 1986 to October 31, 1988. If no written notice of intent to attend the public hearing is filed with the Commission by an interested party by January 25, 1989, the public hearing scheduled in this case shall be cancelled.

(2) Farmers shall prefile with the Commission no later than December 22, 1988 an affidavit as to its compliance with the requirements of Commission Regulation 807 KAR 5:056.

(3) Farmers shall publish the following notice of the public hearing:

A public hearing shall be held on Thursday, February 9, 1989 at 9:00 A.M., Eastern Standard Time, at the offices of the Kentucky Public Service Commission, 730 Schenkel Lane, Frankfort, Kentucky, for an examination by the Kentucky Public Service Commission of the application of Farmers Rural Electric Cooperative Corporation of the uniform fuel adjustment clause for the period November 1, 1986 to October 31, 1988. Individuals interested in attending this hearing shall notify the Public Service Commission in writing by January 25, 1989, 15 days prior to the hearing, of their intent to attend. If no notification of intent to attend is received by that date, the hearing will be cancelled. Send written notification of intent to attend the public hearing to the Executive Director, Kentucky Public Service Commission, P. O. Box 615, Frankfort, Kentucky 40602.

(4) The records of Case Nos. 9741-A, 9741-B, and 9741-C, the Commission's semiannual reviews since November 1, 1986 of Farmers' fuel adjustments, be, and they hereby are, incorporated by reference into the record of this case.

(5) Farmers shall file an original and 10 copies of the information requested in Appendix A with the Commission by December 22, 1988. Each copy of the data requested shall be placed in a bound volume with each item tabbed. When a number of sheets is required for an item, each sheet should be appropriately indexed; for example, Item 1(a), Sheet 2 of 6. Farmers shall furnish with each response the name of the witness who will be available at the public hearing to respond to questions concerning

each area of information requested. Careful attention shall be given to copied material to insure that it is legible. If the information cannot be provided by the due date, Farmers should submit a motion for an extension of time, stating the reason a delay is necessary and include a date by which it will be furnished. Such motion will be considered by the Commission.

(6) Nothing contained herein shall prevent the Commission from entering further Orders in this matter.

Done at Frankfort, Kentucky, this 6th day of December, 1988.

PUBLIC SERVICE COMMISSION

Chairman

Robert M. Davis

Vice Chairman

Spencer N. Williams

Commissioner

ATTEST:

Executive Director

APPENDIX A

1. Provide the following line loss information:
 - (a) A schedule of the calculation of the 12-month average line loss by month for November 1986 through October 1988.
 - (b) A discussion of the steps that have been taken to reduce line loss during these periods.
2. Provide a schedule showing the calculation of monthly over- or under-recovery of fuel costs from November 1, 1986 through October 31, 1988.
3. Provide a copy of Farmers' monthly revenue reports (monthly billing summaries) showing the total revenue collected, including adjustments, under the fuel adjustment clause reported in Farmers' monthly filings required by the Commission from November 1, 1986 through October 31, 1988.
4. Provide a schedule showing the calculation of the increase or decrease in Farmers' base fuel cost per KWH as proposed by its wholesale electric supplier adjusted for Farmers' 12-month average line loss for November 1986 through October 1988.
5. Provide a schedule of the present and proposed rates which Farmers seeks to change pursuant to 807 KAR 5:056 as calculated in Item 4 above, shown in comparative form.
6. Provide a statement showing by cross-outs and italicized inserts all proposed changes in rates. A copy of the current tariff may be used.